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eSun Holdings Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 571)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules. The Board wishes to inform that the unaudited interim results of the Group for the six months ended 31 January 2012 are expected to decrease significantly as compared to those for the corresponding period last year.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by eSun Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**” and the “**Listing Rules**” respectively).

Based on the preliminary unaudited consolidated management accounts of the Group, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the unaudited results attributable to owners of the Company for the six months ended 31 January 2012 (the “**Period**”) are expected to record a significant decrease over those for the corresponding period last year.

As disclosed in the Company’s annual report for the seven months ended 31 July 2011 (the “**2011 Annual Report**”), the Board had changed the financial year end date of the Company from 31 December to 31 July for the accounting period ended 31 July 2011 in order to align the financial year end date of the Company with that of its other listed affiliates. To comply with the Listing Rules, the Company will, subsequent to the change of its financial year end date, publish its first set of unaudited interim results of the Group for the Period before the end of March 2012. It is intended that the comparative amounts to be presented in the unaudited consolidated income statement of the Group and the related notes for the Period would represent the unaudited results for the six months ended 31 January 2011.

In addition, Media Asia Group Holdings Limited (“**MAGHL**” and together with its subsidiaries, the “**MAGHL Group**”) has become a subsidiary of the Company since 9 June 2011 and the Company has approximately a 51.09% shareholding interest in MAGHL as at the date of this announcement. Both the Company and MAGHL have the same financial year end date of 31 July. The issued shares of MAGHL are listed and traded on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8075).

That the Group’s results for the Period compared unfavourably to those for the six months ended 31 January 2011 is primarily attributable to:

- (i) the absence of a gain of approximately HK\$610.0 million resulting from the completion of the shares swap transactions between the Company and Lai Sun Garment (International) Limited where the Company disposed of its entire shareholding interests in Lai Sun Development Company Limited (“**LSD**”) and acquired the 40.58% shareholding interests in Lai Fung Holdings Limited (“**Lai Fung**”). This gain was recognised in the Group’s results for the six months ended 31 January 2011 and was a non-recurring item. Completion of the shares swap transactions took place on 30 September 2010;
- (ii) a decrease in the Group’s share of profits and losses of associates for the Period as compared to the previous corresponding period. The share of profits of associates for the Period was mainly attributable to contributions from Lai Fung. The share of profits of associates for the six months ended 31 January 2011 included mainly contributions from LSD of HK\$130,457,000 for the period from 1 August 2010 to 30 September 2010 (including the cross-shareholding effects) and contributions from Lai Fung of HK\$139,660,000 for the period from 1 October 2010 to 31 January 2011; and
- (iii) an expected loss due to the recognition of a fair value loss on the forward contract in relation to the Second Completion Convertible Notes (the “**Second CN**”, as defined in the profit warning announcement published by MAGHL on 5 March 2012 (the “**MAGHL Announcement**”)) in compliance with the currently applicable accounting standards.

In the MAGHL Announcement, MAGHL reported, among other matters, that:

- (a) there would be a significant loss as reflected in the MAGHL Group’s unaudited consolidated results attributable to owners of MAGHL for the Period as compared to the audited consolidated profit attributable to owners of MAGHL of approximately HK\$985,000 for the four months ended 31 July 2011;
- (b) the above loss was mainly due to the recognition of a fair value loss on the forward contract in relation to the Second CN in compliance with the currently applicable accounting standards; and
- (c) the board of directors of MAGHL wished to state that any fair value gain or loss on the forward contract in relation to the Second CN is non-cash in nature, will not have any impact on the cashflow of the MAGHL Group and may fluctuate significantly according to market conditions and the trading price of the shares of MAGHL. Accordingly, the MAGHL Group may incur fair value gains or losses in the forthcoming financial periods.

The Company has been consolidating the results of the MAGHL Group since 9 June 2011. References are made to the particulars of the Second CN set out in note 31 “Forward Contract” of the 2011 Annual Report. The Group records a forward contract on the Second CN of the MAGHL Group after eliminating the portion of the Second CN held by Perfect Sky Holdings Limited (“**Perfect Sky**”, a wholly-owned subsidiary of the Company) in the consolidated statement of financial position. Accordingly, the fair value change in respect of the forward contract as recorded by the MAGHL Group is recognised in the consolidated income statement of the Group after eliminating the financial effect attributable to the portion held by Perfect Sky. The fair value change in respect of the forward contract to be included in the consolidated results attributable to the owners of the Company will further be deducted by the effect attributable to the non-controlling interests of MAGHL. As a result, the magnitude of the financial impact of the fair value change in respect of the forward contract attributable to the owners of the Company will be less than that as recorded in the consolidated financial statements of the MAGHL Group.

As the Group’s unaudited interim results for the Period have not yet been finalised, the information contained in this announcement is based on information that is currently available and the preliminary unaudited consolidated management accounts of the Group which have not yet been reviewed by the Company’s audit committee. The interim results of the Group for the Period are expected to be published before the end of March 2012.

Shareholders and potential investors are, therefore, advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
eSun Holdings Limited
Kwok Siu Man
Company Secretary

Hong Kong, 6 March 2012

As at the date of this announcement, the Board comprises three executive Directors, namely Dr. Lam Kin Ngok, Peter, Mr. Lui Siu Tsuen, Richard (Chief Executive Officer) and Mr. Cheung Sum, Sam; three non-executive Directors, namely Madam U Po Chu, Mr. Albert Thomas da Rosa, Junior and Mr. Andrew Y. Yan; and four independent non-executive Directors, namely Messrs. Low Chee Keong (Chairman), Alfred Donald Yap and Lo Kwok Kwei, David and Dr. Ng Lai Man, Carmen.